

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Sanai Health Industry Group Company Limited** (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

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### Sanai Health Industry Group Company Limited

三愛健康產業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1889)

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES;**
  - (2) PROPOSED EXTENSION OF ISSUE MANDATE;**
  - (3) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;**
  - (4) PROPOSED RE-APPOINTMENT OF AUDITORS;**
  - (5) PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT OF SHARE OPTION SCHEME;**
- AND**
- NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company (the “Annual General Meeting”) to be held at Multifunctional Hall 1, Renaissance Shanghai Putuo Hotel, No. 50 Tong Chuan Road, Putuo District, Shanghai, PRC on 5 January 2022, Wednesday at 3:30 p.m. (Hong Kong time) is set out on pages AGM-1 to AGM-6 of this circular. A form of proxy for use at the Annual General Meeting is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and of the Company at [www.1889hk.com](http://www.1889hk.com).

Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the offices of the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

#### PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Due to the constantly evolving COVID-19 pandemic situation, the Company may need to take certain precautionary measures at the venue of the Annual General Meeting to ensure the safety of attendees, including (but not limited to) requiring all attendees to have body temperature check and wear face masks. In addition, no refreshments will be served and no corporate gift will be distributed at the meeting. The Company reserves the right to deny admission to the meeting venue if any person does not comply with the precautionary measures to be taken at the meeting or such person is subject to any Hong Kong Government prescribed quarantine.

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## **PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING**

The health of our Shareholders, staff and stakeholders is of paramount importance to us. In view of the ongoing Novel Coronavirus (COVID-19) pandemic, the Company will implement the following precautionary measures at the Annual General Meeting to protect attending Shareholders, staff and stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted for every Shareholder, proxy or other attendee at each entrance of the meeting venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the meeting venue or be required to leave the meeting venue.
- (ii) The Company requires each attendee to wear a surgical face mask throughout the meeting and inside the meeting venue, and to maintain a safe distance between seats.
- (iii) No refreshment will be served, and there will be no corporate gift.

In addition, the Company reminds all Shareholders that physical attendance in person at the meeting is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the meeting instead of attending the meeting in person, by completing and return the proxy form attached to this document.

If any Shareholder chooses not to attend the meeting in person but has any question about any resolution or about the Company, or has any matter for communication with the Board, he/she is welcome to send such question or matter in writing to our registered office or send a message at the Company's website ([www.1889hk.com](http://www.1889hk.com)). If any Shareholder has any question relating to the meeting, please contact Computershare Hong Kong Investor Services Limited, the Company's branch share registrar in Hong Kong, as follows:-

Computershare Hong Kong Investor Services Limited

17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Enquiries: [www.computershare.com/hk/en/online\\_feedback](http://www.computershare.com/hk/en/online_feedback)

Tel: (852) 2862 8555

Fax: (852) 2865 0990

## **DEFINITIONS**

*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Annual General Meeting”	the annual general meeting of the Company to be held at Multifunctional Hall 1, Renaissance Shanghai Putuo Hotel, No. 50 Tong Chuan Road, Putuo District, Shanghai, PRC on 5 January 2022, Wednesday at 3:30 p.m. (Hong Kong time), or any adjournment thereof, to consider and, if thought fit, to approve, among other things, the proposed grant of the general mandates to issue shares and repurchase shares, the extension of Issue Mandate, the proposed re-election of retiring Directors, the proposed re-appointment of auditors and the proposed Refreshment of the Scheme Mandate Limit
“Articles of Association”	the articles of association of the Company as amended from time to time
“associate(s)”	shall have the meaning ascribed under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the business of trading in securities
“close associate(s)”	has the meanings ascribed to it under the Listing Rules
“Company”	Sanai Health Industry Group Company Limited 三愛健康產業集團有限公司, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Core Connected Person(s)”	has the meanings ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

## **DEFINITIONS**

“Eligible Participants”	(i) all full-time employees, Directors (including independent non-executive Directors) and part-time employees with weekly working hours of 10 hours and above, of the Group, (ii) substantial shareholders of each member of the Group, (iii) associates of the directors and substantial shareholders of any member of the Group, (iv) trustee of any trust pre-approved by the Board; and (v) any advisor (professional or otherwise) or consultant, distributor, supplier, agent, customer, joint venture partner, service provider to the Group, whom the Board considers, in its sole discretion, has contributed or contributes to the Group, provided that no grants shall be made to any person which would result in the Company be required under the applicable securities laws and regulations to issue a prospectus or other offer document in respect thereof, or will result in the breach by the Company or the Directors of any applicable securities laws and regulations or in any filing or other requirements arising
“Exercise Price”	the price per Share at which a grantee may subscribe for Shares on the exercise of an option pursuant to the Share Option Scheme
“Group”	the Company and all of its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“INED(s)”	the independent non-executive Director(s)
“Inside information”	was the meaning defined in the SFO as amended from time to time
“Issue Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to exercise all the powers of the Company allot, issue and otherwise deal with new Shares not exceeding 20% of the total number of Shares in issue as at the date of passing of the resolution granting such mandate
“Latest Practicable Date”	30 November 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time

## **DEFINITIONS**

“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan)
“Refreshment of Scheme Mandate Limit”	the proposed refreshment of the Scheme Mandate Limit under the Share Option Scheme
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	the general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the number of Shares in issue as at the date of passing Resolution No. 5
“Scheme Mandate Limit”	the maximum number of Shares which may be allotted and issued upon the exercise of all Share Options to be granted under the Share Option Scheme, which shall not in aggregate exceed 10% of the number of Shares in issue as at the date of the approval of the Share Option Scheme and thereafter, if further refreshed, shall not exceed 10% of the number of Shares in issue as at the date of approval of the further refreshed scheme mandate limit by the Shareholders
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Option(s)”	share option(s) to subscribe for Share(s) granted and to be granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 16 June 2017
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs published by the Securities and Futures Commission of Hong Kong as amended, supplemented or otherwise modified from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

**LETTER FROM THE BOARD**



**Sanai Health Industry Group Company Limited**

**三愛健康產業集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1889)**

*Executive Directors:*

Mr. Chen Chengqing  
Mr. Gao Borui  
Mr. Yuan Chaoyang  
Professor Zhang Rongqing  
Mr. She Hao

*Registered Office:*

Grand Pavilion, Hibiscus Way  
802 West Bay Road  
P.O. Box 31119, KY1-1205  
Cayman Islands

*Non-executive Director:*

Mr. Xiu Yuan

*Principal Place of Business*

*in Hong Kong:*  
Unit 5, 7/F.  
Nanyang Plaza  
57 Hung To Road  
Kwun Tong  
Kowloon  
Hong Kong

*Independent Non-executive Directors:*

Professor Zhu Yi Zhun  
Mr. Khor Khie Liem Alex  
Mr. Zhang Ruigen

6 December 2021

*To the Shareholders*

Dear Sir or Madam,

**(1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE  
SHARES AND REPURCHASE SHARES;  
(2) PROPOSED EXTENSION OF ISSUE MANDATE;  
(3) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;  
(4) PROPOSED RE-APPOINTMENT OF AUDITORS;  
(5) PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT  
OF SHARE OPTION SCHEME;  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The primary purpose of this circular is to give you notice of the Annual General Meeting and details of the following resolutions which, together with other ordinary business, will be proposed at the Annual General Meeting for consideration and, where appropriate, approval of the Shareholders:

- (a) to grant the Issue Mandate and the extension thereof to the Directors;

## **LETTER FROM THE BOARD**

- (b) to grant the Repurchase Mandate to the Directors;
- (c) to re-elect the Directors;
- (d) to re-appoint auditors; and
- (e) to refresh the Scheme Mandate Limit.

### **ISSUE MANDATE, REPURCHASE MANDATE AND EXTENSION OF ISSUE MANDATE**

At the annual general meeting of the Company held on 16 May 2019, resolutions were passed by the Shareholders, among other things, to grant general and unconditional mandates to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with Shares and to repurchase Shares. Such general mandates have already lapsed. Accordingly, the Company proposes to seek approval of the Shareholders at the Annual General Meeting to grant new general mandates to the Directors to exercise the above powers.

The Issue Mandate and the Repurchase Mandate shall be effective until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company (the “**Next Annual General Meeting**”); or
- (b) the expiration of the period within which the Next Annual General Meeting is required by the Articles of Association, or any other applicable law of the Cayman Islands to be held; or
- (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors.

Under the Listing Rules, the Company is required to give to the Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution to grant the Directors the Repurchase Mandate. The explanatory statement required by the Listing Rules to be included in this circular is set out in Appendix I to this circular.

## **LETTER FROM THE BOARD**

### **Issue Mandate**

An ordinary resolution will be proposed at the Annual General Meeting which, if passed, will give the Directors a general and unconditional mandate to allot, issue and otherwise deal with new Shares at any time until the Next Annual General Meeting following the passing of the resolution or such earlier date as stated in the resolution up to a maximum of 20% of the total number of Shares in issue as at the date of passing of the resolution.

Assuming no further Shares are issued or repurchased prior to the Annual General Meeting and based on the total number of Shares in issue of 3,067,222,500 Shares as at the Latest Practicable Date, the Company would be allowed to allot and issue a maximum of 613,444,500 new Shares under the Issue Mandate. Subject to the passing of the ordinary resolution granting the Issue Mandate and on the assumption that (i) all 36,800,000 outstanding share options are exercised; and (ii) that no further Shares will be issued or repurchased by the Company from the Latest Practicable Date to the Annual General Meeting, the number of Shares in issue as at the date of the passing of the ordinary resolution granting the Issue Mandate will be 3,104,022,500 Shares and therefore, the Company would be allowed under the Issue Mandate to allot, issue and deal with a maximum of 620,804,500 Shares, representing 20% of the total number of Shares in issue at the time of the passing of the ordinary resolution. In addition, an ordinary resolution will be proposed to authorise extension of the Issue Mandate which would increase the limit of the Issue Mandate by adding to it the number of Shares repurchased under the Repurchase Mandate.

### **Repurchase Mandate**

An ordinary resolution will also be proposed at the Annual General Meeting which, if passed, will give the Directors a general and unconditional mandate to repurchase the Shares at any time until the Next Annual General Meeting following the passing of the resolution or such earlier date as stated in the resolution up to a maximum of 10% of the total number of Shares in issue at the date of the passing of the resolution.

Assuming no further Shares are issued or repurchased prior to the Annual General Meeting and based on the issued share capital of the Company of 3,067,222,500 Shares as at the Latest Practicable Date, the Company would be allowed to repurchase a maximum of 306,722,250 Shares under the Repurchase Mandate. Subject to the passing of the ordinary resolution granting the Repurchase Mandate and on the assumption that (i) all 36,800,000 outstanding share options are exercised; and (ii) that no further Shares will be issued or repurchased by the Company from the Latest Practicable Date to the Annual General Meeting, the number of Shares in issue as at the date of the passing of the ordinary resolution granting the Repurchase Mandate will be 3,104,022,500 Shares and therefore, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 310,402,250 Shares, representing 10% of the total number of Shares in issue at the time of the passing of the ordinary resolution.

## **LETTER FROM THE BOARD**

In addition, if the Repurchase Mandate is granted, another ordinary resolution will be proposed at the Annual General Meeting providing that any Shares repurchased under the Repurchase Mandate (up to a maximum of 10% of the total number of Shares in issue of the Company at the date of the granting of the Repurchase Mandate) will be added to the total number of Shares which may be allotted and issued under the Issue Mandate.

An explanatory statement as required under Rule 10.06(1)(b) of the Listing Rules to provide the requisite information regarding the Repurchase Mandate is set out in Appendix I to this circular.

### **Extension of Issue Mandate**

At the Annual General Meeting, an ordinary resolution, as set out as Resolution No. 6, will be proposed for the Shareholders to consider and, if thought fit, to extend the Issue Mandate by adding an amount representing the aggregate number of Shares repurchased by the Company pursuant to the Repurchase Mandate being approved to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate provided that such extended amount in aggregate will not exceed 10% of the number of issued Shares on the date of the resolution approving the Issue Mandate. The full text of the ordinary resolution to be proposed at the Annual General Meeting in relation to the extension of the Issue Mandate is set out in Resolution No. 6 in the notice of Annual General Meeting.

### **RE-ELECTION OF DIRECTORS**

According to Article 86(3), the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the next following annual general meeting of the Company (in the case of an addition to the existing Board) or until the Next Annual General Meeting (in the case of filling a casual vacancy) and shall then be eligible for re-election.

According to Article 87(1), one-third of the Directors for the time being, or if their number is not a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation at every annual general meeting. A retiring Director shall be eligible for re-election.

In accordance with Article 87(1), Mr. Chen Chengqing and Professor Zhang Rongqing, shall retire from their office by rotation and, being eligible, has offered themselves for re-election at the Annual General Meeting. In accordance with Article 86(3), Mr. Gao Borui, Mr. Yuan Chaoyang, Mr. She Hao, Professor Zhu Yi Zhun, Mr. Khor Khie Liem Alex and Mr. Zhang Ruigen, who have been appointed as Directors on 26 July 2019, 26 July 2019, 11 November 2019, 31 December 2020, 3 February 2021 and 25 June 2021 respectively, shall hold office only until the Annual General Meeting and, being eligible, offer themselves for re-election at the Annual General Meeting.

## LETTER FROM THE BOARD

### **Recommendation of the Nomination Committee**

The Nomination Committee had assessed and reviewed the written confirmation of independence of the INEDs, based on the independence criteria as set out in Rule 3.13 of the Listing Rules and confirmed that all of them remain independent. After considered the skills, experience, professional expertise of the Retiring Directors (the “**Retiring Directors**”), independence of INEDs and current situation of board diversity, the Nomination Committee believe that the Retiring Directors are capable to provide good contributions to the Group. Therefore, the Nomination Committee nominated the retiring Directors, namely Mr. Chen Chengqing, Professor Zhang Rongqing, Mr. Gao Borui, Mr. Yuan Chaoyang, Mr. She Hao, Professor Zhu Yi Zhun, Mr. Khor Khie Liem Alex and Mr. Zhang Ruigen to the Board for it to propose to the Shareholders for re-election at the Annual General Meeting. As a good corporate governance practice, each of the Retiring Directors who were members of the Nomination Committee have abstained from voting at the relevant Nomination Committee meeting on the respective propositions of their recommendations to the Board for re-election.

At the Annual General Meeting, separate ordinary resolutions will be proposed to re-elect Mr. Chen Chengqing, Professor Zhang Rongqing, Mr. Yuan Chaoyang, Mr. Gao Borui and Mr. She Hao as executive Directors, and Professor Zhu Yi Zhun, Mr. Khor Khie Liem Alex and Mr. Zhang Ruigen as INEDs.

Particulars relating to Mr. Chen Chengqing, Professor Zhang Rongqing, Mr. Yuan Chaoyang, Mr. Gao Borui, Mr. She Hao, Professor Zhu Yi Zhun, Mr. Khor Khie Liem Alex and Mr. Zhang Ruigen, are set out in Appendix II to this circular.

### **PROPOSED RE-APPOINTMENT OF AUDITORS**

The financial statements of the Group for the years ended 31 December 2019 and 31 December 2020 were audited by Zhonghui Anda CPA Limited whose term of office will expire upon the conclusion of the Annual General Meeting.

The Board proposed to re-appoint Zhonghui Anda CPA Limited as the independent auditors of the Company and to hold office until the conclusion of the Next Annual General Meeting and to authorize the Board to fix their remunerations.

### **REFRESHMENT OF SCHEME MANDATE LIMIT**

The existing Share Option Scheme was adopted by the Company on 16 June 2017. Apart from the Share Option Scheme, as at the Latest Practicable Date, the Company has no other share option schemes currently in force.

The Board considers that the Share Option Scheme will motivate more persons to make contribution to the Group and facilitate the retention and the recruitment of high calibre staff of the Group. The Board believes that the success of the Group requires the co-operation and contribution not only from the employees and directors of the Group but also from persons who play a role in the business of the Group, such as consultant, adviser, distributor, contractor, supplier, service provider, agent, customer and business partner of the Group.

## LETTER FROM THE BOARD

Furthermore, the Board considers that the Eligible Participants will share common interests and objectives with the Group upon their exercise of the Options, which is beneficial to the long-term development of the Group.

As the Group has no intention to adopt a new share option scheme and given that the Scheme Mandate Limit has been almost utilised as at the Latest Practicable Date, in order to provide the Company with greater flexibility in granting options solely to the category (i) as set out in the definitions of the Eligible Participants (i.e. all full-time employees, Directors (including independent non-executive Directors) and part-time employees with weekly working hours of 10 hours and above of the Group) (the “**Relevant Participants**”) under the existing Share Option Scheme as incentives or rewards for their continuous contributions and loyalty to the Group, the Board proposed that an ordinary resolution as set out in the notice of Annual General Meeting will be proposed to seek Shareholders’ approval at the Annual General Meeting to refresh the Scheme Mandate Limit to 10% of the Shares in issue as at the date of passing of the resolution.

Besides, in assessing the eligibility of the Relevant Participants under the Share Option Scheme, the Board will consider the following factors (where applicable):

- (a) the potential and/or actual contribution to the business affairs of and benefits to the Group in terms of, including without limitation, promoting the continuing development and growth of the Group, bringing innovation, new talents and expertise to the Group and the actual or expected change in the Group’s revenue or profits which is or may be attributable to such Relevant Participants;
- (b) the experience, responsibility, workload and time devoted to the Group by such Relevant Participants and employees, employment conditions elsewhere in the Group, the desirability of performance-based remuneration, and the period of relationship with the Group; and
- (c) whether he/she is regarded as a valuable human resource of the Group based on his/her work experience, professional qualifications, knowledge in the industry or other relevant factors (including without limitation technical know-how, market competitiveness, synergy between him/her and the Group, external business connections, strategic value, and repute and credibility).

Besides the aforesaid assessment on the eligibility, the main criteria for the Board to consider the grant of the share options to the Relevant Participants is whether the Group considers the Relevant Participants can support the Group’s business objectives, development and growth in the foreseeable future.

The Board would also determine the terms of the grant of the share options to the Relevant Participants under the Share Option Scheme on a case-by-case basis such as the Relevant Participants’ performance targets to be achieved, as well as the subscription price, the vesting schedule and the minimum period that an option must be held before an option can be exercised. It is expected that grantees of share options will endeavour to contribute to the development of the Group and therefore will safeguard the interests of the Company and the Shareholders and benefit the Company and the Shareholders as a whole.

## **LETTER FROM THE BOARD**

Given that:

- (i) the nature of Share Options being a non-cash based reward would enable the Group to maintain a strong cash flow for its operation;
- (ii) the financial impact of granting of Share Options to the grantees would be the share-based payment, which is significant less than directly providing cash reward or offering a fix sum of service fees to such grantees;
- (iii) upon exercise of the Share Options, the grantees would be required to pay the exercise price to the Group. It is an effective means to enhance the capital base of the Company and provide the Company with the financial flexibility necessary for its development and expansion;
- (iv) the grant of Share Options would enable the Group to retain the Relevant Participants that are valuable to the Group by aligning their interests with the interests of the Group;
- (v) the refreshment of the Scheme Mandate Limit would provide the flexibility to the Company to adopt such a non-cash based reward as and when necessary;
- (vi) the grant of the Share Options would provide incentives to the grantees to work for and benefit the long term development and growth of the Group,

the Board is of the view that the benefits of the grant of Share Options to the Relevant Participants in the Share Option Scheme outweigh the potential dilution effect to the existing Shareholders.

Based on the above, the Board considers that the refreshment of the Scheme Mandate Limit is in the interest of the Company and the Shareholders as a whole.

Under the Listing Rules and the Share Option Scheme:

- (i) the existing scheme mandate limit so refreshed must not exceed 10% of the issued share capital of the Company at the date of the approval of the refreshed Scheme Mandate Limit by the Shareholders;
- (ii) all options granted under the Share Option Scheme and any other share option schemes of the Company (including those exercised, outstanding, cancelled or lapsed in accordance with the Share Option Scheme and any other share option schemes of the Company) prior to the approval of such refreshed Scheme Mandate Limit shall not be counted for the purpose of calculating whether the Refreshed Scheme Limit has been exceeded and the total number of Shares subject to the refreshed Scheme Mandate Limit;

## LETTER FROM THE BOARD

(iii) notwithstanding the above, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the share option schemes of the Company shall not exceed 30% (or such higher percentage as may be allowed under the Listing Rules) of the total number of Shares in issue from time to time.

Under the existing scheme limit, a total of 233,877,250 options can be granted to the Eligible Participants. During the period from the date of the adoption of the existing scheme limit on 16 June 2017 to the Latest Practicable Date, there were 233,400,000 options, representing approximately 7.61% of the existing issued share capital of the Company, granted under the Share Option Scheme which remained outstanding and unexercised as at the Latest Practicable Date. Therefore, under the existing scheme limit, there are remaining 477,250 options that can be granted.

The details of the 115,400,000 and 118,000,000 share options granted on 24 May 2018 and 30 May 2018 respectively are as follows:

Date of Grant	Number of Eligible Participants <i>(Note 1)</i>	Number of share options granted	Exercise Price per share	Reasons for the grant by category	Approximate percentage of the total number of issued Shares as at the Latest Practicable Date
24 May 2018	7 <i>(Note 2)</i>	115,400,000	HK\$0.32	Category (i)	3.76%
30 May 2018	12 <i>(Note 3)</i>	118,000,000	HK\$0.335	Category (v)	3.85%
Total	<u>19</u>	<u>233,400,000</u>			<u>7.61%</u>

*Notes:*

- (1) Please refer to the definition of “Eligible Participants” under the section headed “Definitions” of this circular.
- (2) 2,800,000, 2,600,000 and 22,000,000 share options were granted to former directors Mr. Wang Zihao, Mr. Long Jun and Professor Zhang Rongqing respectively. Except this, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the rest of the Eligible Participants granted under category (i) is neither a Director, chief executive nor substantial shareholder of the Company nor an associate (as defined under the Listing Rules) of any of them. None of the Eligible Participants under category (i) is granted more than 1% of the Company’s share in issue.

## LETTER FROM THE BOARD

- (3) 20,000,000 and 2,800,000 share options were granted to former director Ms. Hung Hoi Lan and director Mr. Chen Chengqing respectively, and the other 8 Eligible Participants granted under category (i). Two Eligible Participants granted under category (v) are business consultants of the Group providing consultancy services to the Group including but not limited to providing risk management measures on the introduction of new business partners to the Group. Except the above, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Eligible Participants granted under category (i) and (v) is neither a Director, chief executive nor substantial shareholder of the Company nor an associate (as defined under the Listing Rules) of any of them. None of the Eligible Participants under category (i) and (v) is granted more than 1% of the Company's share in issue.

On 7 June, 8 June, 14 June and 19 June 2018, an aggregate of 195,100,000 share options were exercised. As at the Latest Practicable Date, the Company has 36,800,000 outstanding share options under the Share Option Scheme, representing 1.20% of the total number of Shares in issue as at the Latest Practicable Date. The details of 36,800,000 options are set out below.

Participants	Date of grant	Exercisable period	Exercise price (HK\$)	Number of options granted	Number of options held as at the Latest Practicable Date
Employees	24 May 2018 and 30 May 2018	24 May 2018 to 29 May 2023	HK\$0.32 and HK\$0.335	115,400,000	34,800,000
Non-employees in aggregate	30 May 2018	30 May 2018 to 29 May 2023	HK\$0.335	118,000,000	2,000,000 <sup>(ii)</sup>
<b>Total</b>				<b><u>233,400,000</u></b>	<b><u>36,800,000</u></b>

*Notes:*

- (i) The share options are not subject to any vesting period.
- (ii) The outstanding share options of 2,000,000 were granted to a consultant of the Company.

Regarding to the refreshment of the Scheme Mandate Limit, the Directors have no immediate plan and intention to grant further Share Options pursuant thereto.

The Board confirms that the refreshment of the Scheme Mandate Limit is solely for the grant of Share Options to the Relevant Participants and believes that the refreshed Scheme Mandate Limit will give more flexibility for the Company to grant options to the Relevant Participants to reward and motivate them to strive for the future developments and success of the Group, which shall be in the interests of the Company and the Shareholders as a whole.

## **LETTER FROM THE BOARD**

Assuming that no Shares are issued or repurchased by the Company from the Latest Practicable Date up to the Annual General Meeting, the Company will have 3,067,222,500 Shares in issue as at the date of the Annual General Meeting. The refreshed Scheme Mandate Limit, if approved by the Shareholders at the Annual General Meeting, will allow the Company to issue, upon exercise of options under the Share Option Scheme, a maximum of 306,722,250 Shares, representing 10% of the total number of Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit, which together with the number of Shares which may fall to be allotted and issued upon exercise in full of the 36,800,000 share options granted under the Share Option Scheme, are within the overall limit of 30% prescribed under the Listing Rules. The refreshed Scheme Mandate Limit is conditional upon the approval of the Shareholders at the Annual General Meeting and upon granting by the Stock Exchange of the listing of, and permission to deal in, the Shares to be issued upon the exercise of the options to be granted under the refreshed Scheme Mandate Limit.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, any Shares which may fall to be issued upon the exercise of any options that may be granted under the refreshed Scheme Mandate Limit.

### **ANNUAL GENERAL MEETING**

The resolutions to be proposed at the Annual General Meeting are set out in full in the notice of the Annual General Meeting on pages AGM-1 to AGM-6 of this circular. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, at the Annual General Meeting, the chairman of the Meeting will exercise his power under Article 66 to put each of the resolutions set out in the notice of the Annual General Meeting to be voted by way of poll.

### **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of identifying Shareholders who are entitled to attend the Annual General Meeting, the register of members of the Company will be closed from 31 December 2021 (Friday) to 5 January 2022 (Wednesday) (both days inclusive), during which period no transfer of shares in the Company will be effected. In order to qualify for attending the Annual General Meeting, all transfers, accompanied by the relevant share certificates, have to be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 30 December 2021 (Thursday).

## **LETTER FROM THE BOARD**

### **RECOMMENDATION**

The Directors believe that the proposed grant of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate, the proposed re-election of Directors, the proposed re-appointment of auditors and the proposed refreshment of Scheme Mandate Limit are in the best interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the above resolutions to be proposed at the Annual General Meeting.

### **GENERAL**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Your attention is drawn to the information set out in the appendices to this circular.

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,  
By Order of the Board  
**Sanai Health Industry Group Company Limited**  
**Chen Chengqing**  
*Chairman*

*The following explanatory statement contains all the information required pursuant to Rule 10.06 of the Listing Rules to be given to all Shareholders relating to the resolution to be proposed at the Annual General Meeting authorising the Repurchase Mandate.*

## **1. EXERCISE OF THE REPURCHASE MANDATE**

It is proposed that up to 10% of the number of Shares in issue at the date of the passing of the Repurchase Mandate may be repurchased. As at the Latest Practicable Date, the number of Shares in issue was 3,067,222,500. Subject to the passing of the ordinary resolution approving the Repurchase Mandate and on the basis that no further Shares would be issued or repurchased after the Latest Practicable Date and up to the date of passing of such resolution, the Directors would be authorised to repurchase up to 306,722,250 Shares (being 10% of the number of Shares in issue) during the period up to (a) the conclusion of the Next Annual General Meeting or (b) the expiration of the period within which the Next Annual General Meeting of the Company is required by law or its Articles of Association to be held or (c) the revocation or variation of the Repurchase Mandate by an ordinary resolution of the Shareholders in general meeting of the Company, whichever occurs first.

## **2. REASONS FOR REPURCHASE**

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate will benefit the Company and provide the Company the flexibility to make such repurchase when appropriate. Such repurchases may, depending on market conditions and funding arrangements at the time, enhance the net assets value of the Company and/or earnings per Share.

## **3. IMPACT ON WORKING CAPITAL AND GEARING LEVEL**

As compared with the financial position of the Company as at 31 December 2020 (being the date of its latest published audited financial statements), the Directors consider that there would be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period. The Directors confirm that no repurchase would be made to such extent which would have a material adverse impact on the working capital or gearing position of the Company.

## **4. FUNDING OF REPURCHASES**

The Company is empowered by its memorandum of association, the Articles of Association and the applicable laws of the Cayman Islands to repurchase its Shares. The Cayman Islands law provides that repurchase may be made out of profits of the Company, out of the Company's share premium account, out of proceeds of a fresh issue of Shares made for such purpose of the repurchase, or, if so authorised by the Articles of Association and subject to the provisions of the Cayman Islands law, out of capital. The amount of premium payable on repurchase may only be paid out of profits of the Company or the share premium account of the Company before or at the time the Shares are repurchased or, if so authorised by the Articles of Association and subject to the provisions of the Cayman Islands law, out of capital.

Under the Cayman Islands law, unless otherwise provided, the Shares so repurchased will be treated as cancelled but the aggregate amount of authorised share capital will not be reduced so that the Shares may be subsequently re-issued.

## 5. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

To the best of the knowledge and belief of the Directors having made all reasonable enquiries, none of the Directors nor any of the close associates of any Directors has any present intention, in the event that the proposed Repurchase Mandate is approved by Shareholders, to sell any Shares held by him/her/it to the Company.

As at the Latest Practicable Date, no Core Connected Person has notified the Company that he/she/it has a present intention to sell any Shares held by him/her/it to the Company nor has he/she undertaken not to sell any Shares held by him/her to the Company in the event that the Repurchase Mandate is granted.

## 6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the proposed Repurchase Mandate in accordance with the Listing Rules and all applicable laws of the Cayman Islands, and in accordance with the regulations set out in the memorandum of association of the Company and the Articles of Association.

## 7. EFFECT OF TAKEOVERS CODE

If as a result of a share repurchase exercised pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory general offer in accordance with Rule 26 and Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Cyber Success Global Investments Limited (“**Cyber Success**”) and Mr. Chen Chengqing are the only substantial Shareholders (as defined under the Listing Rules) of the Company. As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Cyber Success held 836,753,000 Shares (representing approximately 27.28% of the number of Shares in issue) and Mr. Chen Chengqing, an executive Director and the sole shareholder of Cyber Success, was interested or deemed to be interested in 839,553,000 Shares (representing approximately 27.37% of the number of Shares in issue). In the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the proposed Repurchase Mandate, then (if the present shareholdings otherwise remained the same) the deemed shareholding of Mr. Chen Chengqing would be increased to approximately 30.41% and the shareholding of Cyber Success would be increased to approximately 30.31%. Such increase will give rise to an obligation on part of any of the above Shareholders to make a mandatory general offer under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the Directors have no present intention to exercise the Repurchase Mandate to such an extent that would result in takeover obligations. The Directors also have no intention to repurchase Shares which would result in the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

## 8. SHARE REPURCHASE MADE BY THE COMPANY

During each of the six months preceding the Latest Practicable Date, no Share has been repurchased by the Company, whether on the Stock Exchange or otherwise.

## 9. SHARE PRICES

The monthly highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months and up to the Latest Practicable Date, were as follows:

	<b>Shares</b>	
	<b>Highest Price HK\$</b>	<b>Lowest Price HK\$</b>
<b>2020</b>		
November	N/A <sup>(Note)</sup>	N/A <sup>(Note)</sup>
December	N/A <sup>(Note)</sup>	N/A <sup>(Note)</sup>
<b>2021</b>		
January	N/A <sup>(Note)</sup>	N/A <sup>(Note)</sup>
February	N/A <sup>(Note)</sup>	N/A <sup>(Note)</sup>
March	N/A <sup>(Note)</sup>	N/A <sup>(Note)</sup>
April	N/A <sup>(Note)</sup>	N/A <sup>(Note)</sup>
May	N/A <sup>(Note)</sup>	N/A <sup>(Note)</sup>
June	N/A <sup>(Note)</sup>	N/A <sup>(Note)</sup>
July	N/A <sup>(Note)</sup>	N/A <sup>(Note)</sup>
August	N/A <sup>(Note)</sup>	N/A <sup>(Note)</sup>
September	0.280	0.120
October	0.220	0.131
November (up to the Latest Practicable Date)	0.160	0.125

*Note:* Trading in the Shares on the Stock Exchange has been suspended during the period between 24 January 2020 to 7 September 2021.

The following are the particulars of the retiring Directors proposed to be re-elected at the Annual General Meeting:

**Mr. Chen Chengqing (陳成慶) (“Mr. Chen”)**

Mr. Chen Chengqing, aged 44, joined the Company as an Executive Director on 17 February 2017 and is the Chairman of the Nomination Committee of the Company. Mr. Chen is a substantial shareholder of the Company and an entrepreneur with more than 20 years of experience in business management in the PRC. Mr. Chen is currently the chairman of Guizhou Changtong Cable Co., Ltd., the vice president of Pingba District Federation of Industry and Commerce, the executive vice president of Anshun Zhejiang Federation of Commerce, a member of Pingba District Committee of the Chinese People’s Political Consultative Conference and the vice president of Guizhou Wenzhou Federation of Commerce. He was appointed as an executive Director with effect from 17 February 2017. Cyber Success held 836,753,000 Shares (representing approximately 27.28% of the total number of Shares in issue) and Mr. Chen, as the sole shareholder of Cyber Success, together with his own beneficial interest, was interested or deemed to be interested in 839,553,000 Shares (representing approximately 27.37% of the total number of Shares in issue).

Save as disclosed above, as at the Latest Practicable Date, Mr. Chen had not held directorships in any other listed public companies in the last three years and had not held any other position with the Company and other members of the Group.

Save as disclosed above, Mr. Chen does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Save for the aforesaid, Mr. Chen did not have any interests or short positions in any Shares, underlying Shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Mr. Chen has entered into a service contract with the Company for an initial term of one year commencing from 17 February 2017, which is automatically renewable for successive terms of one year each and may be terminated by either party giving not less than three months' prior notice. His directorship is subject to the retirement by rotation and re-election in accordance with the Articles of Association. Pursuant to the terms of the service contract entered into between the Company and Mr. Chen, he is entitled to a remuneration of HK\$240,000 per annum which is determined by the Board by reference to his experience, duties and responsibilities, the prevailing market conditions and the recommendation from the remuneration committee of the Company.

Save as disclosed above, there is no information in relation to Mr. Chen that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there is no other matter in relation to the appointment of Mr. Chen that needs to be brought to the attention of the shareholders of the Company.

**Professor Zhang Rongqing (張榮慶) (“Professor Zhang”)**

Professor Zhang Rongqing, aged 65, was redesignated from an independent non-executive Director to an executive Director on 15 September 2017. Professor Zhang was appointed as the independent non-executive Director and member of each of the Remuneration Committee and Nomination Committee on 16 June 2017. He graduated from Suzhou Medical College in 1982 with a Bachelor degree of medicine and received PhD in animal physiology and biochemistry from Nanjing Agricultural University in 1993. Professor Zhang has worked as professor in Tsinghua University since 1998, and he has been the associate dean of School of life Science in Tsinghua University. He is currently a director of the Institute of Biomedical Research in Yangtze Delta Region of Tsinghua University in Zhejiang, deputy director of the Teaching Guidance Committee of Biological Technology and Bio-engineering of the Ministry of Education, the member of the 3rd and 4th Advisory Group of Experts of the “973” Plan in the field of agriculture of the Ministry of Science and Technology. Professor Zhang has received many awards and patents in science and technology. He is a well-known senior expert in the field of marine biochemistry & molecular biology, marine natural drug & gene engineering, and marine biological enzyme. Professor Zhang has been an independent director of Shenzhen Hepalink Pharmaceutical Group Co., Ltd., a company listed on the Shenzhen Stock Exchange (Stock Code: 002399), since May 2014. He is also an independent director of Shandong Oriental Ocean Sci-tech Co., Ltd., a company whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 002086), since April 2017. Professor Zhang is interested or deemed to be interested in an aggregate of 22,000,000 Shares, representing approximately 0.72% of the total number of Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, Professor Zhang had not held directorships in any other listed public companies in the last three years and had not held any other position with the Company and other members of the Group.

Save as disclosed above, Professor Zhang does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Save for the aforesaid, Professor Zhang did not have any interests or short positions in any Shares, underlying Shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Professor Zhang has entered into a service contract with the Company for an initial term of one year commencing from 15 September 2017, which is automatically renewable for every successive term of one year each and may be terminated by either party giving not less than three months' prior notice. Professor Zhang is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. Professor Zhang is entitled to receive an annual emolument of HK\$120,000, which was determined with reference to the prevailing market conditions and his qualifications, duties and responsibilities.

Save as aforesaid, there is no information in relation to Professor Zhang that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or any other matter that needs to be brought to the attention of the Shareholders in relation to his re-election.

**Mr. Gao Borui (高伯瑞) (“Mr. Gao”)**

Mr. Gao Borui, aged 62, was appointed as an executive Director with effect from 26 July 2019. Mr. Gao has extensive experience in business, finance and accounting management. Since November 1998, Mr. Gao has consecutively worked as the chief financial officer, the chief accountant and the assistant to the chairman for the group companies of Xiuzheng Pharmaceutical Group Company Limited\* (修正藥業集團股份有限公司), a limited company incorporated in the PRC and principally engaged in developing, manufacturing and sale of healthcare medication and related products, where he was primarily responsible for finance, budget and funds management of the group. Mr. Gao passed exams in accounting and graduated from Changchun Taxation College\* (長春稅務學院) in Changchun City, Jilin Province, the PRC in April 2001. Mr. Gao is a former member of the Chinese People’s Political Consultative Conference of Tonghua City, Jilin Province, the PRC. He is a former executive member of the Chinese Pharmaceutical Accounting Association\* (中國醫藥會計會) and the deputy secretary-general of the Accounting Association of Tonghua City\* (通化市會計學會).

Save as disclosed above, as at the Latest Practicable Date, Mr. Gao had not held directorships in any other listed public companies in the last three years and had not held any other position with the Company and other members of the Group.

Save as disclosed above, Mr. Gao does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Gao does not have, directly or indirectly, any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Gao has entered into a service contract with the Company for an initial term of two years commencing from 26 July 2019, which is automatically renewable for successive terms of two years each and may be terminated by either party giving not less than three months’ prior notice. Mr. Gao is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. Mr. Gao is entitled to receive an annual emolument of HK\$240,000, which was determined with reference to the prevailing market conditions and his qualifications, duties and responsibilities.

Save as aforesaid, there is no information in relation to Mr. Gao that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or any other matter that needs to be brought to the attention of the Shareholders in relation to his re-election.

**Mr. Yuan Chaoyang (袁朝陽) (“Mr. Yuan”)**

Mr. Yuan Chaoyang, aged 49, was appointed as an executive Director with effect from 26 July 2019. Mr. Yuan has extensive experience in business investment, development and management. He has been the director of the strategic planning department and project director of Delixi Group Co., Ltd.\* (德力西集團有限公司), a limited company incorporated in the PRC and responsible for the strategic planning and project management for the company. From January 2017 to January 2018, Mr. Yuan served as the vice president of project development in AVIC Joy Holdings (HK) Limited, an investment holding company principally engaged in natural gas, construction material and property-related business, the shares of which are listed on the Stock Exchange (stock code: 260). Throughout the period, Mr. Yuan was primarily responsible for project development, operational efficiency, quality control and public relations management. Mr. Yuan graduated from the People’s Armed Police Command College, Fuzhou branch\* (武警福州指揮學院) in Fujian Province, the PRC, in 1991, majoring in Japanese Language. Mr. Yuan completed his studies of enterprise management courses in the Graduate School, Shanghai University of Finance and Economics\* (上海財經大學研究生院) in July 2015 and obtained a certificate.

Save as disclosed above, as at the Latest Practicable Date, Mr. Yuan had not held directorships in any other listed public companies in the last three years and had not held any other position with the Company and other members of the Group.

Save as disclosed above, Mr. Yuan does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Yuan does not have, directly or indirectly, any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Yuan has entered into a service contract with the Company for an initial term of two years commencing from 26 July 2019, which is automatically renewable for every successive term of two years each and may be terminated by either party giving not less than three months’ prior notice. Mr. Yuan is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. Mr. Yuan is entitled to receive an annual emolument of HK\$240,000, which was determined with reference to the prevailing market conditions and his qualifications, duties and responsibilities.

Save as aforesaid, there is no information in relation to Mr. Yuan that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or any other matter that needs to be brought to the attention of the Shareholders in relation to his re-election.

**Mr. She Hao (余昊) (“Mr. She”)**

Mr. She Hao, aged 38, was appointed as an executive Director with effect from 11 November 2019. Mr. She holds a bachelor degree in bioengineering from Xiang Tan University in 2005, and a master of business administration from University of Electronic Science and Technology of China in 2013. He served as a Research and Development Engineer and project supervisor in Shanghai Biolaxy Medical Science and Technology Co. Ltd.\* (上海藍心醫藥科技有限公司) (a pharmaceutical Research and Development institute, which was then acquired by Anbo Biotechnology Co., Ltd.\* (安博生物科技有限公司), a subsidiary of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.\* (上海復星醫藥(集團)股份有限公司)), responsible for matters relating to pharmaceutical research and development from 2006 to 2011. He served as a quality manager in Yifeng Pharmacy Chain Co., Ltd.\* (益豐大藥房連鎖股份有限公司) (a pharmaceutical circulation enterprise, a company whose shares are listed on the Shanghai Stock Exchange, stock code: SH603939), responsible for channel construction and government relations from the end of 2013 to the end of 2014; He served as an investment manager, senior investment manager and investment director in Fortune Link Investment Holdings Limited\* (東方匯富投資控股有限公司) (a private equity investment institute), responsible for investment matters in relation to pharmaceuticals and other greater health projects from 2015 to 2017. He served as an investment manager in the Investment and Development Department of Jiangmen Sugarcane Chemical Factory (Group) Co., Ltd. (江門甘蔗化工廠(集團)股份有限公司) (a company whose shares are listed on the Shenzhen Stock Exchange, stock code: SZ000576), responsible for investment matters from September 2017 to November 2019. Mr. She has extensive experience in pharmaceutical research and development, circulation and pharmaceutical investment.

Save as disclosed above, as at the Latest Practicable Date, Mr. She had not held directorships in any other listed public companies in the last three years and had not held any other position with the Company and other members of the Group.

Save as disclosed above, Mr. She does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. She does not have, directly or indirectly, any interest in the Shares within the meaning of Part XV of the SFO.

Mr. She has entered into a service contract with the Company for an initial term of two years commencing from 11 November 2019, which is automatically renewable for successive terms of two years each and may be terminated by either party giving not less than three months' prior notice. Mr. She is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. Mr. She is entitled to receive an annual emolument of HK\$240,000, which was determined with reference to the prevailing market conditions and his qualifications, duties and responsibilities.

Save as aforesaid, there is no information in relation to Mr. She that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or any other matter that needs to be brought to the attention of the Shareholders in relation to his re-election.

**Professor Zhu Yi Zhun (朱依諱) (“Professor Zhu”)**

Professor Zhu Yi Zhun, aged 56, was appointed as an independent non-executive Director, member of each of the Audit Committee, Nomination Committee and Remuneration Committee with effect from 31 December 2020. Professor Zhu graduated from the School of Medicine of the Shanghai Jiao Tong University with a bachelor degree in Medicine in 1989, and then graduated from the School of Medicine of the Heidelberg University with a doctor's degree in Medicine in 1994. Professor Zhu has been working on cardiovascular and neuropharmacology research for nearly 20 years, and he is currently the first director and the chair professor of the School of Pharmacy of the Macau University of Science and Technology, and the Director of Zhuhai UM Science & Technology Research Institute. Professor Zhu also had served as the Dean of the School of Pharmacy of Fudan University for almost 10 years. He was also appointed as the Changjiang Scholar Distinguished Professor of the Ministry of Education of the People's Republic of China, and awarded the National Outstanding Young Scholars, the chief scientist of the National Major Scientific Research Program, and was the person in charge of platform of new drug creation in a major project in respect of national science and technology.

Professor Zhu was appointed as an independent non-executive director of Green International Holdings Limited, the shares of which were listed on the Stock Exchange (stock code: 2700) for the period from 4 March 2016 to 30 June 2017. He was also appointed as an independent director of 山西仟源醫藥集團股份有限公司 (Shanxi C & Y Pharmaceutical Group Company, Limited\*) (stock code: 300254) for the period from June 2010 to July 2016 and an independent director of 江門甘蔗化工廠(集團)股份有限公司 (Jiangmen Sugarcane Chemical Factory (Group) Company, Limited\*) (stock code: 000576) from August 2015 to May 2018; the shares of both of which are listed on the Shenzhen Stock Exchange.

Save as disclosed above, as at the Latest Practicable Date, Professor Zhu had not held directorships in any other listed public companies in the last three years and had not held any other position with the Company and other members of the Group.

Save as disclosed above, Professor Zhu does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Professor Zhu does not have, directly or indirectly, any interest in the Shares within the meaning of Part XV of the SFO.

Professor Zhu has entered into an appointment letter with the Company for an initial term of one year commencing from 31 December 2020, which is automatically renewable for successive terms of one year and may be terminated by either party giving not less than one months' prior notice. Professor Zhu is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. Professor Zhu is entitled to receive an annual emolument of HK\$120,000, which was determined with reference to the prevailing market conditions and his qualifications, duties and responsibilities.

Save as aforesaid, there is no information in relation to Professor Zhu that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or any other matter that needs to be brought to the attention of the Shareholders in relation to his re-election.

**Mr. Khor Khie Lim Alex (許麒麟) (“Mr. Khor”)**

Mr. Khor Khie Lim Alex, aged 53, was appointed as an independent non-executive Director, chairman of each of the Audit Committee, the Remuneration Committee and member of the Nomination Committee of the Company with effect from 3 February 2021. Mr. Khor has accumulated more than 20 years of working experience in the field of finance, capital market, financial reporting and financial compliance services. Currently, Mr. Khor is a founding director of KBS Capital Partners (Singapore) Pte. Ltd. (“**KBS Capital**”) since July 2004, principally providing accounting, tax, company secretarial compliance services, and corporate advisory services including IPO facilitation, M&A services and project financing services. Since founding KBS Capital, Mr. Khor has completed various IPO, M&A and project fund-raising transactions for its clients from Singapore, Malaysia and China. Mr. Khor is currently an independent non-executive director of Xinming China Holdings Limited (stock code: 2699).

Prior to this, Mr. Khor was Group Financial Controller of CFM Holdings Limited between 2002 to 2004, Group Financial Controller of TEE International Limited between 2000 to 2002, and Regional Financial Controller of Showpla Asia Limited between 1997 to 2000, all of these companies are listed on Singapore Exchange.

Mr. Khor was admitted as an associate and a fellow member of Association of Chartered Certified Accountants in 1999 and 2002 respectively. He graduated from his studies in Master of Business Administration from University of Leicester, UK in 2004. Currently, He is a Chartered Accountant of both of the Institute of Singapore Chartered Accountants and Malaysian Institute of Accountants.

Save as disclosed above, as at the Latest Practicable Date, Mr. Khor had not held directorships in any other listed public companies in the last three years and had not held any other position with the Company and other members of the Group.

Save as disclosed above, Mr. Khor does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Khor does not have, directly or indirectly, any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Khor has entered into an appointment letter with the Company for an initial term of one year commencing from 3 February 2021, which is automatically renewable for successive terms of one year and may be terminated by either party giving not less than one months' prior notice. Mr. Khor is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. Mr. Khor is entitled to receive an annual emolument of HK\$180,000, which was determined with reference to the prevailing market conditions and his qualifications, duties and responsibilities.

Save as aforesaid, there is no information in relation to Mr. Khor that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or any other matter that needs to be brought to the attention of the Shareholders in relation to his re-election.

**Mr. Zhang Ruigen (張瑞根) (“Mr. Zhang”)**

Mr. Zhang Ruigen, aged 55, was appointed as an independent non-executive Director, member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company with effect from 25 June 2021. Mr. Zhang graduated from Southwest University of Political Science and Law with a bachelor degree in Law in 2005. Mr. Zhang has accumulated more than 30 years of working experience in the field of legal and professional services. Currently, Mr. Zhang is a senior partner of Shanghai Haoxin Law Firm since 2015. Prior to this, Mr. Zhang was a teacher of Zhejiang Yueqing Normal School from 1987 to 1991. He was a deputy director of Zhejiang Haichang Law Firm from 1991 to 2000, senior partner of Beijing Lianfa Law Firm from 2001 to 2004 and supervisor of Beijing Jingzhe Law Firm from 2004 to 2015.

Save as disclosed above, as at the Latest Practicable Date, Mr. Zhang had not held directorships in any other listed public companies in the last three years and had not held any other position with the Company and other members of the Group.

Save as disclosed above, Mr. Zhang does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Zhang does not have, directly or indirectly, any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Zhang has entered into an appointment letter with the Company for an initial term of one year commencing from 25 June 2021, which is automatically renewable for successive terms of one year and may be terminated by either party giving not less than one months' prior notice. Mr. Zhang is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. Mr. Zhang is entitled to receive an annual emolument of HK\$120,000, which was determined with reference to the prevailing market conditions and his qualifications, duties and responsibilities.

Save as aforesaid, there is no information in relation to Mr. Zhang that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or any other matter that needs to be brought to the attention of the Shareholders in relation to his re-election.

## NOTICE OF ANNUAL GENERAL MEETING



**Sanai Health Industry Group Company Limited**

**三愛健康產業集團有限公司**

(Incorporated in the Cayman Islands with limited liability)

**(Stock Code: 1889)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Annual General Meeting**”) of Sanai Health Industry Group Company Limited (the “**Company**”) will be held at Multifunctional Hall 1, Renaissance Shanghai Putuo Hotel, No. 50 Tong Chuan Road, Putuo District, Shanghai, PRC on 5 January 2022, Wednesday at 3:30 p.m. (Hong Kong time) for the following purposes:

1. (a) To receive and consider the audited financial statements of the Company and its subsidiaries and the reports of directors and auditors of the Company for the year ended 31 December 2019;
- (b) To receive and consider the audited financial statements of the Company and its subsidiaries and the reports of directors and auditors of the Company for the year ended 31 December 2020.
2. (a) To re-elect Mr. Chen Chengqing as an executive director of the Company;
- (b) To re-elect Professor Zhang Rongqing as an executive director of the Company;
- (c) To re-elect Mr. Gao Borui as an executive director of the Company;
- (d) To re-elect Mr. Yuan Chaoyang as an executive director of the Company;
- (e) To re-elect Mr. She Hao as an executive director of the Company;
- (f) To re-elect Professor Zhu Yi Zhun as an independent non-executive director of the Company;
- (g) To re-elect Mr. Khor Khie Liem Alex as an independent non-executive director of the Company;
- (h) To re-elect Mr. Zhang Ruigen as an independent non-executive director of the Company; and
- (i) To authorise the board of directors (the “**board**”) of the Company to fix remuneration of the directors of the Company.

## **NOTICE OF ANNUAL GENERAL MEETING**

3. To consider the appointment of Zhonghui Anda CPA Limited as the Auditor to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Board to fix their remuneration.

To consider, as special business and, if thought fit, passing the following resolutions, with or without amendment, as ordinary resolutions of the Company:

4. “**THAT**:

- (a) subject to paragraph (c) below of this Resolution, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the capital of the Company (the “**Shares**”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements, options and warrants which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options, warrants or other securities convertible into Shares, which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the existing share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
  - (aa) 20 per cent. of the total number of Shares in issue on the date of the passing of this resolution; and
  - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the number of Shares in issue on the date of the passing of resolution no. 6),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

## **NOTICE OF ANNUAL GENERAL MEETING**

(d) for the purposes of this Resolution:

“Relevant Period” means the period from the date of the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the “**Companies Act**”) or any applicable laws of the Cayman Islands to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting;

“Rights Issue” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside the Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong**”) or any recognised regulatory body or any stock exchange outside Hong Kong).”

### 5. “THAT:

- (a) subject to paragraph (b) below of this Resolution, the exercise by the Directors during the Relevant Period (as defined below in this Resolution) of all powers of the Company to repurchase the Shares on the Stock Exchange or on any other stock exchange on which the Shares may be listed and is recognised by the Securities and Futures Commission of Hong Kong (the “**Securities and Futures Commission**”) and the Stock Exchange for this purpose, subject to and in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Act and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the total number of Shares which may be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period (as defined below in this Resolution) shall not exceed 10 per cent. of the total number of Shares in issue as at the date of the passing of this Resolution (such total number to be

## **NOTICE OF ANNUAL GENERAL MEETING**

subject to adjustment in the case of any consolidation or subdivision of any of Shares into a smaller or larger number of Shares after the passing of this Resolution) and the said approval shall be limited accordingly; and

- (c) for the purposes of this Resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Act or any other applicable law of the Cayman Islands to be held; and
  - (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”
6. “**THAT** conditional upon the ordinary Resolutions 4 and 5 set out in this notice of meeting being duly passed, the total number of Shares that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with the issue mandate granted under Resolution 4 set out in this notice of meeting be and is hereby extended by the addition thereto of the total number of Shares which may be repurchased by the Company pursuant to and in accordance with the issue mandate granted under Resolution 5 set out in this notice of meeting, provided that such number shall not exceed 10 per cent. of the total number of Shares in issue as at the date of passing of this Resolution 6 (such total number to be subject to adjustment in the case of any consolidation or subdivision of any of Shares into a smaller or larger number of Shares after the passing of this Resolution).”
7. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the shares to be issued upon exercise of any options to be granted under the Refreshed Scheme Mandate Limit (as defined below) pursuant to the share option scheme (the “**Share Option Scheme**”) of the Company adopted by the resolution of the shareholders of the Company passed on 16 June 2017, the existing limit on the grant of options under the Share Option Scheme and any other schemes of the Company be refreshed so that the aggregate number of shares of the Company to be allotted and issued upon exercise of any options to be granted under the Share Option Scheme and any other schemes of the Company (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme and any other schemes of the Company) shall not exceed 10% of the total number of the Shares in issue as at the date of the passing of this resolution

## **NOTICE OF ANNUAL GENERAL MEETING**

(the “**Refreshed Scheme Mandate Limit**”) and that the Directors of the Company be and are hereby authorized to grant options up to the Refreshed Scheme Mandate Limit and to exercise all the powers of the Company to allot, issue and deal with the Shares under the Refreshed Scheme Mandate Limit pursuant to the exercise of such options.”

By Order of the Board  
**Sanai Health Industry Group Company Limited**  
**Chen Chengqing**  
*Chairman*

Hong Kong, 6 December 2021

*Registered Office:*  
Grand Pavilion, Hibiscus Way  
802 West Bay Road  
P.O. Box 31119, KY1-1205  
Cayman Islands

*Head Office and Principal Place  
of Business in Hong Kong:*  
Unit 5, 7/F.  
Nanyang Plaza  
57 Hung To Road  
Kwun Tong  
Kowloon  
Hong Kong

*Notes:*

1. Any member entitled to attend and vote at the Annual General Meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Annual General Meeting. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.
3. For the purpose of identifying shareholders who are entitled to attend the Annual General Meeting, the register of members of the Company will be closed from 31 December 2021 (Friday) to 5 January 2022 (Wednesday) (both days inclusive), during which period no transfer of shares in the Company will be effected. In order to qualify for attending the annual general meeting, all transfers, accompanied by the relevant share certificates, have to be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 30 December 2021 (Thursday).
4. In relation to proposed Resolution 2 in this notice of meeting, Mr. Cheng Chengqing and Professor Zhang Rongqing shall retire from their office at the above meeting pursuant to article 87(1) of the Articles of Association. Mr. Gao Borui, Mr. Yuan Chaoyang, Mr. She Hao, Professor Zhu Yi Zhun, Mr. Khor Khie Liem Alex and Mr. Zhang Ruigen, shall hold office only until the annual general meeting pursuant to article 86(3) of the Articles of Association. All retiring Directors, being eligible, offer themselves for re-election at the annual general meeting.
5. In relation to proposed Resolutions 4 and 6 in this notice meeting, approval is being sought from the shareholders for the grant to the Directors of a issue mandate to authorise the allotment and issue of shares under the Listing Rules.

## **NOTICE OF ANNUAL GENERAL MEETING**

6. In relation to proposed Resolution 5 in this notice of meeting, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information reasonably necessary to enable the shareholders of the Company to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to this circular.
7. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, at the Annual General Meeting, the chairman of the meeting will exercise his power under article 66 of the articles of association of the Company to put each of the resolutions set out in this notice to be voted by way of poll.
8. Completion and return of the form of proxy will not preclude members from attending and voting at the annual general meeting and in such event, the instrument appointing to proxy shall be revoked.
9. In the case of joint holders of shares, any one of such holders may vote at the Annual General Meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders are present at the Annual General Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
10. All resolutions will be conducted by way of a poll.
11. If a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above is in force in Hong Kong at any time after 5:00 a.m. on 5 January 2022, it will be postponed that the annual general meeting will not be held on that day. An announcement will be made in such event.
12. In light of the current outbreak of COVID-19, shareholders may consider appointing the chairman of the above meeting as his/her proxy to vote on the resolutions, instead of attending the above meeting in person.
13. Due to the constantly evolving COVID-19 pandemic situation, the Company may need to take certain precautionary measures at the venue of the above meeting to ensure the safety of attendees, including (but not limited to) requiring all attendees to have body temperature check and wear face masks. In addition, no refreshments will be served and no corporate gift will be distributed at the meeting. The Company reserves the right to deny admission to the meeting venue if any person does not comply with the precautionary measures to be taken at the meeting or such person is subject to any Hong Kong Government prescribed quarantine.